

APPRENTICE ADJUSTER LICENSE

LICENSING PROCEDURES AND INFORMATION

A person who is paid to investigate or settle claims arising under insurance contracts must be licensed as an adjuster. In the event the applicant for an adjuster's license meets the other qualification requirements for the license but does not have the experience or special education or training for handling claims, the applicant may be issued a temporary license as an apprentice adjuster without passing the examination. But at all times, the apprentice adjuster must be subject to training, direction, and control by a licensed adjuster acting in the same capacity.

The temporary license is good only for a period up to 12 months. Hence, the apprentice adjuster must pass the examination and be issued a permanent independent or public adjuster license to continue adjusting claims beyond the 12-month period.

However while the license is active, apprentice adjusters have all of the privileges and obligations of other adjusters. And apprentice adjusters are subject to administrative action against their licenses like all other adjusters licensed in Kentucky.

MISCELLANEOUS INFORMATION –

If you are adjusting Workers Compensation Claims, please visit the Kentucky Department of Workers Claims' Web site at: <http://labor.ky.gov/dwc/> for additional information.

Notice of Action Against License – The apprentice adjuster must notify the Department in writing within 30 days of initiation of

- Disciplinary action taken by any jurisdiction against the apprentice adjuster license or any other professional license; or
- Criminal action taken by any jurisdiction against the apprentice adjuster.

Address Change & Name Change – KRS 304.9-200(2) and 304.2-120(4) require every apprentice adjuster to notify the Department, in writing, of any change in residence address, business address, or legal name within 30 days of the change. Apprentice adjusters are subject to a penalty up to \$2,000 for failure to do so.

- **Address changes** should be submitted on Record Correction **Form 8303**. (Moving from Kentucky to another state may require surrendering the resident license and applying for a nonresident license.)
- **Name changes** should be submitted on Record Correction **Form 8303** with pertinent legal documentation approving the name change through amendments with Kentucky Secretary of State and with the Kentucky Department of Insurance.

Form 8303 should include the apprentice adjuster's name and Social Security number or Department identification number; and it should be submitted to the Department by mail:

Department of Insurance
Agent Licensing Division
Post Office Box 517
Frankfort, KY 40602-0517

Or by e-mail to DOI-AgentLicensingMail@mail.state.ky.us.

A corrected license certificate should be requested from the Department if the apprentice adjuster changes his or her legal name or moves to a different city because KRS 304.9-200(1) requires that the license contain the licensee's name, address, and other pertinent information. To get a corrected license certificate with the name or the city change, the apprentice adjuster must submit a request on Form 8306 and a \$5 fee along with the out-of-date license certificate. A license certificate with the new name or new city will be mailed to the residence address of the individual.

Display of License – Kentucky law requires the license to be conspicuously displayed in each place of business in Kentucky.

Service of Process – Nonresident licensees are deemed to have irrevocably appointed the Kentucky Secretary of State as agent for the acceptance of process issued in Kentucky in any court action against the adjuster arising out of transactions under the license.

Purchase of Kentucky Insurance Code – The Department suggests that apprentice adjusters get a copy of *Kentucky Insurance Laws and Regulations*. This Kentucky Insurance Code can be purchased for \$36 through the Department of Insurance. It will provide a better understanding of Kentucky insurance laws and procedures.

Forms and Additional Information – Kentucky specific applications and most other forms are available through the Department's Web site at www.doi.state.ky.us/kentucky. Also visit this Web site for additional information on all types of licenses, as well as verification of license status, designations with business entity adjusters, etc., or call (502) 564-6004.

INDIVIDUAL RESIDENT OR NONRESIDENT APPRENTICE ADJUSTER

Both residents and nonresidents may be licensed as apprentice adjusters as long as the nonresident's state permits Kentucky adjusters to act in that state.

QUALIFICATIONS – To be licensed as an apprentice adjuster, the individual applicant must

- Be at least 21 years old;
- Be a resident of Kentucky or resident of a reciprocal state;

- Fulfill one of the following:
 - Be a full time employee of an insurer,
 - Be a full time salaried employee of a licensed adjuster, or
 - Be a graduate of a recognized law school;
- Be subject to training, direction, and control by a licensed adjuster;
- Be trustworthy and of good reputation;
- Have an office accessible to the public; and
- Be financially responsible.

APPLICATION – The Department must receive the following to process the individual's application:

- Individual License Application – **Form 8301**
 - Electing either to be Independent or Public
 - Signed by the sponsoring licensed adjuster;
 - Certification Letter from Reciprocal State, if nonresident and holding a temporary adjuster or permanent adjuster license in another state;
- Proof of Financial Responsibility – **Form 99-3**; and
- Fees

FEES – The apprentice adjuster license applicant must remit \$25 for the license.

PRELICENSING TRAINING – No prelicensing training course is required of apprentice adjusters. In fact, this apprentice period was established solely for prelicensing training for a permanent adjuster license.

EXAMINATION – The apprentice adjuster is excused from taking the examination to be licensed as an apprentice adjuster. However, the apprentice adjuster must pass the adjuster examination before being issued a permanent independent or public adjuster license.

FINANCIAL RESPONSIBILITY - The adjuster is deemed to act in a fiduciary capacity on behalf of the adjuster's principal and, therefore, must post a bond guaranteeing the performance of this trust. The bond must be executed by an authorized surety company and must be in the sum of \$1,000.

ADDITIONAL LINES OF AUTHORITY – The apprentice adjuster cannot add lines of authority to the license but, in certain circumstances, may replace one line of authority with another. In other words, the apprentice adjuster may have only one line of authority under the license at any one time.

Further, upon the issuance of either an independent or public adjuster license, the existing apprentice adjuster license will terminate.

SUBSEQUENT APPOINTMENTS – Appointments are not applicable to adjuster licenses. Rather, apprentice adjusters must maintain a sponsoring licensed adjuster at all times.

RENEWAL – The apprentice adjuster license cannot be renewed, extended, or reissued. This temporary license is good only for a period up to 12 months and expires at the end of that period. Hence, the apprentice adjuster must qualify for a permanent independent or public adjuster license to continue adjusting claims beyond the 12-month period.

CONTINUING EDUCATION – Adjusters are not subject to continuing education.

BUSINESS ENTITY RESIDENT OR NONRESIDENT APPRENTICE ADJUSTER

The Kentucky Insurance Code limits the apprentice adjuster license to individuals. Business entities may not be licensed as apprentice adjusters.